

# **OCCUPANCY TAX OVERVIEW**

Prepared by  
House and Senate Finance Committee Staff  
North Carolina General Assembly

February 1997

## OCCUPANCY TAX OVERVIEW

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JURISDICTION	DATE LEGISLATIVELY ENACTED	AMOUNT OF TAX	HOW ALLOCATED	GOVERNING BODY	NOTES
Alamance County	6/24/88	3%	2/3 to Tourism Development Authority; 1/3 to county for related capital and operating expenses. Revenue distributed monthly.	Tourism Development Authority	Quarterly reports to County Commissions
City of Albemarle SL 91-915	7/10/92	up to 5%	The City Council shall decide on the proceeds allocation on an annual basis during its budgeting process, giving particular consideration to providing funds for purposes of economic development, public safety, and parks and recreation.	City Council	
Alleghany County SL 91-162	5/29/91	3%	50% to Alleghany County Chamber of Commerce for travel and tourism; 50% to general fund for specific tourist-related expenditures. Revenue distributed quarterly.	County officials	Chamber of Commerce may use no more than 1% for administrative expenses. Tourist related expenditures include construction and maintenance of public facilities & buildings, police protection, and emergency services.

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Ashe County	5/29/91	3%	1/3 to Ashe County Chamber of Commerce for travel and tourism; 2/3 to general fund for any public purpose. Revenue distributed quarterly.	County Officials	
Aversboro Township in Harnett County SL 87-142	5/5/87	Not to exceed 3%	Promotion of tourism and development of a convention facility	Tourism Development Authority	Quarterly reports to County Commissioners
Avery County SL 93-472	7/23/93	Up to 3%	Use 2/3 to promote travel and tourism and the remainder for tourism-related expenditures.	Avery County	The tax applies to businesses subject to the general State sales tax and <u>not</u> subject to a tax imposed under a law levying a city occupancy tax, namely the towns of Banner Elk and Beech Mountain. County may retain its costs of collecting and administering the tax, not to exceed 7% of the amount

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Avery County (Continued)					collected. Meets the standards established by House Finance Subcommittee on occupancy Tax, 1993 Session, and contained in the proposed committee substitute for HB 800, H800-PCS-LJ(V4).
Bald Head Island, Village SL 91-664 SL 93-617	7/12/91	Not to exceed 6%. If Brunswick County is authorized to levy a room occupancy tax, then the combined tax rate for			Tourism-related expenditures include criminal justice system, fire protection, public ties & utilities, health facilities, solid waste & sewage treatment, control & repair of water-front erosion. An operator who collects the occupancy tax may deduct from the amount remitted to the village a

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Bald Head Island (Continued)		Brunswick County and Bald Health Island cannot exceed 6%.			Discount equal to the discount the State allows the operator for State sales and use tax purposes.
Town of Banner Elk SL 89-318 SL 93-428	6/14/89	3%	Use at least 2/3 to promote travel and tourism and the remainder for tourism-related expenditures.	Town Council	The town may retain its costs of collecting the tax, not to exceed 7% of the amount collected. Meets the standards established by the House Finance Subcommittee on Occupancy Tax, 1993 Session, and contained in the proposed committee substitute for HB 800, H-800-PCS- LJ(V4)

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Town of Beech Mountain SL 87-376	6/16/87	3%	Tourism promotion and development of convention facilities.	Town Council	3% merchant discount
Town of Blowing Rock SL 87-171	5/11/87	3%	20% of net proceeds to Blowing Rock Chamber of Commerce for promotion of tourism; remainder to general fund for specific tourism-related expenditures.	Town Council	3% merchant discount. Town Council must conduct hearing on proposed use of funds at least once annually.
Town of Boone SL 87-170	5/11/87	3%	60% of net proceeds to the Boone Tourism Development Authority to further the development of travel, tourism and conventions for the town of Boone. The remainder of the proceeds goes to the general fund to be used for any lawful purpose. Revenue distributed quarterly.	Tourism Development Authority	3% merchant discount. Quarterly reports to Town Council
Buncombe County SL 83-908 SL 85-942	7/21/83	3%	Development, advertising, and promotion of tourism	Tourism Development Authority	Quarterly report to County Commissioners. TDA may not use more than 10% of the revenue distributed to it for administrative expenses.

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Burke County SL 89-422 SL 95-143	6/23/89	3%	May allocate 50% to economic development and 50% to tourism or in any other ratio the commissioners consider appropriate.	County Commissioners	3% merchants discount
Cabarrus County SL 89-658	7/89	not less than 3% nor more than 5%	Tourism development Revenue distributed monthly.	County Authority	
Caldwell County SL 87-472	6/25/87	3%	15% funds for administrative expenses related to promoting tourism and industrial growth. Remainder: 50% to promote travel & tourism & sponsor tourist-oriented events; 50% to promote industrial and economic growth. Revenue distributed quarterly.	Caldwell County Chamber of Commerce	This does not apply to the Town of Blowing Rock. 3% merchant discount.

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Carteret County SL 87-375 Repealed. SL 89-171	6/16/87 7/89	3%	55% to Carteret County Tourism Development Bureau for direct advertising costs for visitor promotions, conventions, or tourism. Marketing and promotions expenses. Expenses that encourage visitor promotions, conventions or tourism operation, 20% to Carteret Co. for civic center and 25% to municipalities for tourist- related services. Distributed by point of collection.	Carteret County Tourism Development Bureau	Tourism Development Bureau must submit annual budget & any interim amendments to county commissioners for approval. Tourist- related services mean public services associated with the tourism industry, including but limited to: beach access; water access; fire, police, and rescue services; public park and recreation areas; parking facilities; historic preservation; beautification projects; clean county programs; and any other public services as required.

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Town of Cary SL 89-874	7/9/90	3%	50% up to \$100,000 for tourism promotion; balance to general fund for "visitor-related" programs and activities.	Town officials & new tourism commission	Annual budget approval & quarterly reports to Town Council. 1% merchant discount. Authority repealed - 91-594. See notes at end.
Town of Caswell Beach SL 91-664	7/12/91	not to exceed 3%	Tourism-related expenditures	Town Council	Tourism-related expenditures include criminal justice system, fire protection, public facilities & utilities, health facilities, solid waste & sewage treatment control & repair of waterfront erosion.
Town of Chapel Hill SL 87-460	6/23/87	no more than 3%	No less than 10% of revenues used to provide funding for visitor information services & support cultural events.		Town Council will decide on allocation of revenues during budgeting process with particular consideration for visitor information services and cultural events. 1% discount

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Chatham County SL 93-642	7/1/94	up to 3%	2/3 of the net proceeds to promote travel and tourism related expenditures.	Chatham County Board of Commission	Meets the standards established by the House Finance Subcommittee on Occupancy Tax, 1993 Session, and contained in proposed committee substitute for HB 800, H800-PCS-LJ(V4).
Cherokee County SL 83-1055	7/2/84	3%	Development, advertising, and promotion of tourism, travel, and conventions.	Tourism Development Authority	Quarterly reports to county commissioners.
Chowan County SL 89-174	7/89	3%	Promote travel & tourism, sponsor tourist-oriented events, finance tourist-related capital projects. Revenue distributed quarterly.	Tourism Development Authority	Quarterly reports to county commissioners. 3% merchant discount.
Clay County SL 85-969	7/11/86	3%	Promotion of travel and tourism.	County travel and tourism authority.	Quarterly reports to county commissioners. Authority may use no more than 15% for administrative expenses.

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Cleveland County SL 89-173	5/31/89	3%	Any public purpose.	County Commissioners	3% merchant discount
Columbus County SL 95-530	7/29/95	up to 3%	Promote travel and tourism through advertising and promotional activities. Make expenditures that will facilitate and promote tourism such as building visitor center, coliseum or convention facility.	Columbus County Tourism Board	Administrative cost not to exceed 7%
City of Conover SL 85-929 SL 87-319	7/8/86	not less than 3% nor more than 5%	Development of tourist-related facilities and events. Revenue distributed monthly.	Tourism Development Authority	Quarterly report to Hickory; Conover Town Councils. Joint authority with Hickory. Audit conducted as part of the municipal corporation.

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Craven County SL 83-980 SL 95-721 SL 96-20	6/24/84	3% plus 3% additional tax	Promote travel and tourism. Salaries, benefits, and expenses of Visitor Information Center, other expenses that encourage travel & tourism. 35% of net proceeds in excess of \$100,000 of first 3% and the additional 3% is remitted to the Room Tax Trust Fund for construction of a convention facility in New Bern and a tourist center in Havelock.	Tourism Development Authority	Annual report to county commissioners
Cumberland County SL 83-983	6/26/84	not to exceed 3%	50% to County Civic Center Commission to help finance capital improvements. 50% for advertising and promoting tourism.	Cumberland County officials	Subject to regular county budgeting appropriation and expenditure methods.

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Currituck County SL 87-209 SL 91-155	5/18/87 Amended 5/29/91	4%	75% for tourist related expenditures; 25% for any lawful purpose. The additional 1% tax added in 1991 may be used for capital costs, operation, and maintenance of the Currituck Wildlife Museum. If revenue not needed for museum, it may be used for tourist-related purposes.	County officials	Tourist-related expenditures include construction, maintenance of public facilities and buildings; garbage, refuse, solid waste collection and disposal; police protection, and emergency services.
Dare County SL 85-449 SL 85-826 SL 91-177 SL 91-906	6/24/85	4%	Of the initial 3% tax, 2/3 is distributed to the municipalities in proportion to the amount of property taxes levied for the preceding fiscal year. The remaining 1/3 is retained by the county. The revenue distributed to the cities and retained by the county may be used only for tourist-related purposes. The additional 1% tax authorized in 1991 is to	City and county officials. Dare County Tourism Board	Quarterly report to county commissioners. Tourist-related purposes include construction and maintenance of public facilities & buildings; garbage, refuse, & solid waste collection & disposal; police protection and emergency services.

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Dare County (Continued)			be distributed monthly to the Dare Co. Tourism Board. Of this amount, 75% may be used for administration cost & to promote tourism; 25% may be used for services and programs needed due to impact of tourism.		
Davie County SL 89-928	7/16/90	3%	One-third for travel promotion and capital projects related to tourism; balance to general fund.	County officials	3% merchant discount.
Duplin County SL 87-317	6/8/87	up to 3%	Promotion of travel and tourism.	County officials	
Durham County SL 85-969 SL 91-665	7/11/86	5%	Revenue from 3% of the tax is distributed between Durham County (57 ½%) and the City of Durham (42 ½%) and may be used for any public purpose. Revenue from 2% of the tax is remitted monthly to the Durham CVB and may be used only to promote travel and tourism.		

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Elizabeth City SL 87-175	5/11/87	does not exceed	First 8 years, all revenue to city. Beginning in the ninth fiscal year, ½ revenue goes to county. Must be used for travel and tourism.	City officials	Subject to Pasquotank County as primary tax.
Forsyth County SL 83-908 SL 85-924 SL 85-33 SL 89-870	7/21/83	6%	5% is divided among the municipalities in Forsyth County, other than Winston-Salem, on a pro rate basis. Of the initial 3% tax, 95% is distributed to the Tourism Development Authority. Of the additional 3% authorized in 1989, 95% is divided among the County, Winston-Salem and the Tourism Development Authority on a pro rata basis. The revenue distributed to the municipalities & the county may be used only for economic development & cultural & recreational purposes. The revenue distributed to the	Tourism Development Authority City officials County officials	Quarterly reports to county commissioners. Authority may not use more than 10% of the revenue it receives for administrative purposes.

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Forsyth County (Continued)			TDA may be used only to further the development of travel, tourism, and conventions.		
Garner SL 89-660	7/89	does not exceed 3%	50% of first \$100,000 to Convention & Visitors Bureau, remainder for visitor-related programs and activities.	Convention and Visitors Bureau/Town officials	Subject to Wake County as primary tax Quarterly reports to town council; 1% merchant discount. Authority repealed - 91-594. See note at end.
Gaston County SL 87-618 SL 91-49 SL 95-172	7/15/87	no more than 3%	Economic development to promote travel and tourism including administrative expenses of the county's Travel & Tourism office.	Economic Development Commission	3% merchant discount
City of Goldsboro SL 85-929 SL 87-172 SL 91-555	7/8/86	not less than 3% or more than 5%	Improving, leasing, constructing, financing, operating or acquiring facilities & properties as needed to provide for a civic center facility and development of tourism, support services, tourist related events & and other appropriate activities for providing tourism facilities. Rev. dist. Monthly	Tourism Development Advisory Council	Quarterly reports to city council.

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Graham County SL 85-969	7/11/86	3%	Promotion of travel and tourism. Revenue distributed monthly.	Travel and Tourism Authority	Revenue placed in special travel & tourism fund. Authority may not use more than 15% for administrative expenses. Quarterly reports to county commissioners.
Granville County SL 93-454	7/23/93	5%	Use 2/3 to promote travel and tourism and the remainder for tourism-related expenditures.	Granville County	Meets the standards established by the House Finance Subcommittee on Occupancy Tax, 1993 Session, and contained in the proposed committee substitute for HB 800, H800-PCS-LJ(V4).

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City of Greensboro SL 95-380	4/1/91	3%	20% to Greensboro/Guilford County Tourism Development Authority for travel and tourism. 80% to finance the Greensboro War Memorial Coliseum arena, the renovation and expansion of the arena complex, and maintenance of the complex. Upon retirement of coliseum debt; 25% of TDA and 75% to Greensboro to promote travel and tourism.	City officials Tourism Development Authority	Quarterly reports to city council. Annual audit.
Guilford County SL 83-988 SL 89-39 SL 91-93 SL 95-540	7/26/84 Revised 7/89 5/91	3%	70% to the Tourism Development Authority. Of this amount, 80% may be used to promote travel and tourism activities & programs. Up to \$170,000 of the 20% may be used for tourist-related events, including grant programs.	Tourism Development Authority	Quarterly report to county commissioners. Administrative cost of the grant programs may not exceed 15%. A repeal of the taxes shall not be effective until the end of the <u>second succeeding</u> fiscal year

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Guilford County (Continued)			The remainder may be used for conventions, tourism, and capital improvements. 30% of the tax proceeds to High Point. Of this amount 85% may be used to promote travel & tourism activities and programs. The remaining 15% may be used for specific tourist-related events & activities.		in which the repeal resolution was adopted.
Halifax County SL 87-377	6/16/87	3%	Promote travel & tourism, finance tourist related capital projects & sponsor tourist-oriented events. Revenue distributed quarterly.	Tourism Development Authority	Quarterly report to county commissioners. 3% merchants discount.
Haywood County SL 83-908 SL 87-48 SL 85-942 SL 95-540	7/21/83	3% (2% 1983 and 1% 1986)	Development, advertising, and promotion of tourism	Tourism Development Authority	Tourism Development Authority may use only 15% of funds for administrative purposes. Quarterly report to county commissioners.
Henderson County SL 85-962 Repealed SL 87-172 SL 91-55	5/11/87	no less than 3% nor more than 5%	Proceeds placed in special Travel & Tourism fund which will promote travel and tourism.	Henderson Travel and Tourism Committee	

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Hertford County SL 87-979	6-27-88	up to 3%	Any lawful purpose	County Commissioners	3% merchant discount
Hendersonville SL 85-929	7/8/86	no less than 3% nor more than 5%	Provide for a civic center facility and for the development of tourism, support-services, and tourist related events and facilities.	Tourism Development Advisory Council	Quarterly Reports to City Council
City of Hickory SL 85-929 SL 87-319	7/8/86	not less than 3% nor more than 5%	Improving, leasing, constructing financing, operating, or acquiring facilities & properties as needed to provide for a civic center facility and development of tourism, support services, tourist related events & any other appropriate activities for providing tourism facilities. Revenue distributed quarterly.	Hickory/ Conover Tourism Development Advisory	Quarterly reports to Hickory & Conover Town Councils. Joint authority with Conover. Audit conducted as part of the municipal corporation's audit contract.
Holden Beach SL 87-963	6/24/88	not to exceed 3%	Criminal justice system, fire protection, health facilities, waste & sewage treatment, control & repair of waterfront erosion Revenue distributed quarterly.	City officials	

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Hyde County SL 91-230 SL 91-806	6/5/91	3%	Any public purpose. The county shall spend 90% of the proceeds collected on the mainland only for the direct benefit of the mainland. The county shall spend 90% of the proceeds collected on Ocracoke only for the direct benefit of the island.	County Commissioners	The board of county commissioners shall appoint a mainland advisory board and an island advisory board to advise the board on the expenditures of the respective 90% of the proceeds for the mainland and the island.
Iredell County SL 85-570	7/3/85	not to exceed 3%	Operation & maintenance of civic center. For payment of interest or retiring principal on debt related to a civic center or for promotion of travel and tourism. Revenue distributed monthly.	County officials	Must adopt resolution that it intends to proceed with a county civic center.
Jackson County SL 85-969 SL 87-118 SL 87-195	7/11/86	3%	Promotion of travel and tourism.	Tourism Development Authority	Authority may not use more than 15% for administrative expenses.
Johnston County	7/20/87	3%	For the first two years in which the tax is levied 50% of the net proceeds may go to the Johnston Technical College Auditorium Fund. The remainder of the	Johnston County and the Johnston County	3% merchant discount. TDA may retain up to 1% to cover administrative expenses.

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			proceeds will go to the Johnston Co. Tourism Authority. After the first 2 years, all the net proceeds go to the Johnston County Tourism Authority. This revenue may be remitted to listed organizations in towns from which tax is collected. The revenue shall be used for: (1) direct advertising cost for visitor promotions, conventions, and tourism; (2) marketing & promotions expenses; (3) operating expenses for tourist-oriented events; (4) administrative expenses; (5) tourist		
City of Kinston SL 93-648	7/1/94	3%	The net proceeds must be used to further the development of travel, tourism, and conventions in Kinston, to sponsor tourist-oriented events, and to finance related capital projects.	Kinston-Lenoir County Tourism Development Authority	net proceeds means gross proceeds less the cost to the city of administering and collecting the tax, which may not exceed 7% of the gross proceeds.

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Lee County SL 87-538	7/3/87	up to 3%	The proceeds will be held in the capital reserve fund until there is enough revenue to construct a Community Resource Center for Lee County.	Lee County	After the Community Resource Center is constructed, the revenue will be used for maintenance of the center. The remainder may be used for any lawful purpose. 3% merchant discount.
Lenoir County SL 87-561 SL 89-576 SL 89-770 SL 91-76 SL 93-648	7/6/87	3%	Development of travel and tourism and conventions through advertising and promotions. To sponsor tourist related events and to finance tourist related capital projects. Revenue distributed monthly.	Kinston-Lenoir County Tourism Development Authority	net proceeds means gross proceeds less the cost to the city of administering and collecting the tax, which may not exceed 7% of the gross proceeds.
Lee County SL 87-538	7/3/87	up to 3%	The proceeds will be held in the capital reserve fund until there is enough revenue to construct a Community Resource Center for Lee County.	Lee County	Community Resource Ctr. is constructed, the revenue will be used for maintenance of the ctr. The remainder may be used for any lawful purpose. 3% discount

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Lenoir County SL 87-561 SL 89-576 SL 89-770 SL 91-76 SL 93-648	7/6/87	3%	Development of travel and tourism and conventions through advertising and promotions. To sponsor tourist related events and to finance tourist related capital projects. Revenue distributed monthly.	Kinston-Lenoir Co. Tourism Development Authority	Quarterly report to county commissioners. County commissioners may determine an appropriate percentage of net proceeds that may be expended for administrative expenses.
City of Lexington SL 93-602	7/1/94	Not more than 3%. If Davidson County is authorized to levy a room occupancy tax, the combined tax rates for Davidson County and the town of Lexington cannot exceed 6%.	The Authority must use 2/3 of the net proceeds to promote travel and tourism and the remainder for tourism-related expenditures.	Lexington Tourism Development Authority	Meets the standards established by the House Finance Subcommittee on Occupancy Tax, 1993 Session, and contained in proposed committee substitute for HB 800, H800-PCS-LJ(V4).

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Lincoln County SL 93-549	7/24/93	3%	Use at least 2/3 to promote travel and tourism and the remainder for tourism-related expenditures.	Lincoln County	Meets the standards established by the House Finance Subcommittee on Occupancy Tax, 1993 Session, and contained in the proposed committee substitute for HB 800, H800-PCS-LJ(V4).
Long Beach SL 83-985 SL 83-908 SL 89-857	6/26/84	not to exceed 3%	Criminal justice system, fire protection, health facilities, waste and sewage treatment, control and repair of waterfront erosion. Revenue distributed monthly.	City officials	
Lumberton SL 83-1028 SL 83-908 SL 87-935	6/28/84	3%	Tourism related expenditures such as criminal justice systems, fire protection, public facilities utilities, health facilities & solid waste & sewage treatment. Advertising marketing & promotion of tourism.	City officials	

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Macon County SL 85-969 SL 87-118 SL 87-195	7/11/86	3%	Promote travel & tourism.	Tourism Development Authority	Quarterly report to county commissioners. TDA may use no more than 15% for administrative expenses.
Martin County SL 91-80	5/8/91	up to 3%	Promote travel & tourism. Finance tourist-related capital projects & sponsor tourist- oriented events. Revenue distributed monthly.	Travel and Tourism Authority	Quarterly report to county commissioners. County commissioners may determine appropriate percentage, not to exceed 5%, for Authority to use for administrative expenses. County Commissioners may abolish the Authority and carry out its duties.
McDowell County SL 85-892	7/3/86	3%	Development, advertising, and promotion of tourism. Revenue distributed months.  Convention & Visitors Bur.	Tourism Development Authority  Mecklenburg	Quarterly reports to County Commissioners  Amendment adds 1% meals

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Mecklenburg County SL 83-908 SL 89-821 SL 89-922	Amended 6/28/90		- 40% of first million - 35% of second million - 25% of over second mil. - balance for building or funding civic centers, museums, art centers, parking facilities. Amendment provides additional 3% added plus meals tax (1992) go toward new or expended convention center and related costs.	County officials	Tax effective 1/1/92
Mitchell County SL 87-141	5/5/87	3%	Promote travel & tourism to sponsor tourist-oriented events and activities & to finance tourist related capital projects. Revenue distributed quarterly.	Chamber of Commerce	3% merchant discount
Moore County SL 87-188	5/14/87	3%	Further the development of travel, tourism & contentions through state, national and international advertising & promotions.	Tourism and Development Authority	No more than 25% of the funds shall be used for administrative expenses of the

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Moore County (Continued)					Authority. 3% merchant discount. Quarterly report to county commissioners.
Town of Mooresville SL 91-296 SL 91-577	6/17/91	Up to 2%	50% to Tourism Development Authority to promote travel & tourism. 50% to general fund for any lawful purpose.	Tourism Development Authority/ County officials	Report to county commissioners at close of fiscal year. All disbursements of TDA subject to the approval by Town Board.
Nash County SL 87-32	3/27/87	3%	Promote travel & tourism to sponsor tourist-oriented activities and events, and to finance tourist related capital projects such as construction of a civic center. Revenue distributed quarterly.	Nash Tourism Development Authority	Quarterly report to county commissioners. Operator may deduct from the amount remitted to the county a discount equal to the discount the State allows the operator for collecting State sales and use tax. County may retain its cost of collecting and administering the tax,

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Nash County (Continued)					not to exceed 7% of the amount collected. Meets the standards established by the House Finance Subcommittee on Occupancy Tax, 1993 Session, and contained in proposed committee substitute for Hb 800, H800-PCS-LJ(V4).
New Hanover County SL 83-908 SL 83-987 SL 85-726 SL 85-971 SL 95-540	7/11/86	3%	40% to counties & municipalities in accordance with the method by which the 1% local sales & use tax is distributed for tourism promotion. 60% to a special fund for beach erosion control.	County officials	
Ocean Isle Beach SL 83-908	6/26/84	not to exceed 3%	Criminal justice system, fire protection, health facilities, waste and sewage treatment, control and repair of waterfront erosion. Revenue distributed monthly	City officials	

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Onslow County SL 85-857	7/1/86	3%	Deposited in general fund of the county to be used only to further the development of travel, tourism and conventions in the county.	County officials	
Orange County SL 91-392	6/25/91	up to 3%	At least 10% used to provide funding for visitor information services & to support cultural events.	County officials	County Commissioners will decide on allocation of revenues during budgeting process.
Town of Oriental	7/6/94	Not more than 3%. If Pamlico	The Board must use at least ¼ of the proceeds to promote travel and tourism and the	Board of Commissioners of the Town	The term "promote travel and tourism" means to advertise or

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Town of Oriental (Continued)		County is authorized to levy a room occupancy tax, the combined tax rates for Pamlico County and the town of Oriental cannot exceed 6%.	remainder may be used for tourism-related expenditures.	of Oriental	market an area or activity, publish and distribute pamphlets and other materials, conduct market research, host and conduct tours for travel industry representatives and travel writers, or engage in similar promotional activities that attract tourists or business travelers to the town. The term "tourism-related expenditures" means expenditures that are designed to increase the use of lodging facilities in the town or attract tourists or business travelers to the town and the costs of administering and collecting the tax; the term includes expenditures to construct, maintain, or

JURISDICTION	DATE LEGISLATIVELY ENACTED	AMOUNT OF TAX	HOW ALLOCATED	GOVERNING BODY	NOTES
Town of Oriental (Continued)					<p>repair a visitors' center, a convention facility, a museum, an historic attraction, or a publicly owned waterfront structure, but does not include other capital expenditures.</p> <p>An operator who collects the occupancy tax may deduct from the amount remitted to the town a discount equal to the discount the State allows the operator for State sales and use tax purposes.</p>

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Pasquotank County SL 87-175	5/11/87	no more than 3%	On a quarterly basis the county will remit the proceeds to the City of Elizabeth City to be used only to develop, promote, and advertise travel and tourism in Elizabeth City and Pasquotank County, to sponsor tourist oriented events and activities, to operate & maintain museums & historic sites, or to construct & maintain public facilities.	Pasquotank County	If the Pasquotank County Board of Commissions does not levy a tax or has levied one less than 3%, the Elizabeth City Council may, by ordinance, levy a room occupancy tax at a rate that does not exceed 3% when added with the Pasquotank County tax, if any.
Pender County SL 87-970	6/24/88	not to exceed 3%	Any lawful purpose.	County officials	3% merchant discount. May not levy a tax on an accommodation subject to an occupancy tax under SL 83-908.
Pitt County SL 87-143 SL 93-410	5/5/87 7/20/93	3% additional tax up to 3%	2/3 of the funds from the initial 3% shall be used to promote travel and tourism in Pitt County and the City of Greenville and the remainder used only for tourism-related expenditures. Revenue	Pitt-Greenville Convention and Visitors Authority	Submit budget for processing and approval through regular budget procedure. Quarterly report to county commissioners & city council. Annual audit

JURISDICTION	DATE LEGISLATIVELY ENACTED	AMOUNT OF TAX	HOW ALLOCATED	GOVERNING BODY	NOTES
Pitt County (Continued)			The proceeds from the additional 3% shall be used to reimburse the City of Greenville and Pitt County for any funds they have advanced to purchase property for a convention center. After full reimbursement of the city and county, the money shall be used to finance a convention center.		Conducted & distributed to county and city. The county may retain its costs of administering and collecting the tax, not to exceed 7% of the amount collected. Meets the standards established the House Finance Committee on Occupancy Tax, 1993 Session contained in proposed committee substitute for HB 800, H800-PCS-LJ(V4).
Polk County SL 85-969	7/11/86	3%	Promotion of travel and tourism.	County officials	
City of Raleigh SL 85-850	7/1/86	3%	First \$1,000,000 to the Convention & Visitors Bureau to promote conventions & tourism. Remainder to city to promote travel tourism and for capital needs related to tourism.	Convention & Visitor Bureau/City officials	Annual budget approval. Quarterly reports to City Council. May be audited upon reasonable notice. 1% merchant discount. Authority repealed - 91-594. See notes at end.

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Richmond County SL 87-969	6/24/88	3%	Promotion of travel and tourism.	Tourism Development Authority	3% merchant discount. Quarterly report to county commissioners. Authority may not use more than 25% for administrative expenses.
Rockingham County SL 91-322	6/19/91	3%	Promote travel, tourism, and conventions. Revenue distributed quarterly.	Tourism Development Authority	Quarterly reports to county commissioners.
Rowan County SL 87-379 SL 91-882	6/16/87	up to 3%	Promote travel & tourism and conventions and sponsor tourist-oriented events.	Rowan County Convention and Visitors Bureau	Funds cannot be spent for construction, improvement or maintenance of real property or for any other capital projects. Board of County Commissioners appoints a board to oversee the operations of the Rowan County Convention and Visitors Bureau.

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Town of Rowland SL 91-154	5/29/91	3%	Tourism-related expenditures, including fire protection, criminal justice system, public utilities; health facilities, and solid waste & sewage treatment. Advertising, marketing, & promotion of tourism.	City officials	
Rutherford County SL 91-577	7/8/91	not to exceed 6%	Promote travel, tourism, retirement, & conventions. Revenue distributed quarterly.	Tourism Development Authority	Quarterly report to county commissioners.
City of Southport SL 89-639	7/14/89	no more than 3%	Promote tourism & economic development. May also be used for waterfront development and other public purposes.	City officials	
City of Statesville SL 85-570 SL 85-930	7/8/86	not to exceed 3%	Civic center and travel & tourism in Statesville. Revenue distributed monthly.	Civic Center Authority	Subject to Iredell Co. abolishing the Iredell Civic Center Authority.
Sunset Beach SL 87-956	6/24/88	not to exceed 3%	Criminal justice system, fire protection, health facilities, waste and sewage treatment, control and repair of waterfront erosion. Revenue distributed monthly.		

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Surf City SL 83-908	6/26/84	not to exceed 3%	Criminal justice system, fire protection, health facilities, waste & sewage treatment, control and repair of waterfront erosion.	City officials	
Swain County SL 85-923	7/7/96	3%	Advertising and promotion of tourism. Revenue distribute quarterly.	Tourism Development Authority	Authority may use no more than 25% for wages, salaries, & administrative expenses. Quarterly reports to county commissioners.
City of Thomasville SL 93-453	7/23/93	At least 3% and not more than 6%. If Davidson County is authorized to levy an occupancy tax, the combined rates for Davidson County	If the rate does not exceed 3%, then at least 2/3 of the revenue shall be used to promote travel and tourism and the remainder for tourism-related expenditures. If the rate exceeds 3%, then the proceeds equivalent of a 3% tax shall be used as stated above and the excess proceeds shall be used only to construct or maintain a visitors' center.	Thomasville Tourism Commission	Quarterly distribution. The City of Thomasville may retain 5% of the gross proceeds, or the costs of collecting and administering the tax, whichever is greater. The Thomasville Tourism Commission shall report the receipts and expenditures to the City Council at the close of each fiscal year. Meets the standards established by the House

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City of Thomasville (Continued)		and any city located in it may not exceed 6%.			Finance Subcommittee on Occupancy Tax, 1993 Session, and contained in the proposed committee substitute for HB 800, H800-PCS- LJ(V4).
Topsail Beach SL 83-908	6/26/84	not to exceed 3%	Criminal justice system, fire protection, health facilities, waste & sewage treatment, control & repair of waterfront erosion.	City officials	
Transylvania County SL 85-969	7/11/86	3%	Promotions of travel and tourism.	County officials	
Vance County SL 87-1067	7/7/88	3%	50% to "special account" to promote tourism; 50% to general fund for any lawful purpose.	County officials	3% merchant discount
Wake County SL 85-850 SL 91-594 SL 95-458	6/30/86	up to 6%	- 45.25% to Raleigh - 5% to Cary - 34.75% to Wake County - 15% to Greater Raleigh Convention and Visitor Bureau -First million transferred to the Convention and Visitors	Raleigh Convention and Visitors Bureau	Annual budget approval. Quarterly reports to City Council. May be audited upon reasonable notice. 1% merchant discount. Wake County authorized to levy a 6% occupancy tax and a 1%

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Wake County (Continued)			Bureau. - Remaining net proceeds distributed between the county & cities for operations of convention centers, civic centers, coliseums, museums, cultural programs and activities of the Bureau. Raleigh and Wake County to transfer \$22 million to the Centennial Authority from undesignated proceeds.		prepared food & beverage tax in 1991. The enactment of a tax under this authority repeals the authority of the county or a unit of local government in Wake County to enact any occupancy tax under any other local act.
Wake Forest SL 89-604	7/89	3%	Promote tourism & economic development. Revenue distributed months.	City officials	Authority repealed - 91-594. See notes at end
City of Washington SL 91-158	5/29/91	3%	Promote travel & tourism, finance tourist-related capital projects and sponsor tourist-oriented events. Revenue distributed monthly.	Tourism Development Authority	Quarterly report to city council. City council may determine an appropriate percentage to be expended by TDA for administrative expenses.
Washington County SL 91-821	7/1/92	3%	Development of travel, tourism, and conventions.	County Commissioners	

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Wilson County SL 87-484	6/26/87	3%	Development of travel, tourism and conventions through advertising and promotions, to sponsor tourist-oriented activities & to finance tourist-related capital projects Revenue distributed monthly.	Tourism Development Authority	Quarterly report to county commissioners. County Commissioners may determine an appropriate percentage to be expended by TDA for administrative expenses.
Yancey County SL 87-140	5/5/87	3%	1) Direct advertising for visitor promotions, conventions, travel and tourism; 2) marketing & promotions expenses; 3) expenses to aid and encourage visitor promotions, conventions and travel and tourism. Revenue distributed quarterly.	Chamber of Commerce Tourism & Development Committee	Report at close of fiscal year to county commissioners. County shall periodically conduct a review of this levy and of the disbursements of funds.
Town of Yaupon Beach SL 91-820	7/1/92	up to 3%	Tourism-related expenditures.	Town Board of Commissioners	Funds may not be used for services normally provided by the town for its citizens unless these services promote tourism and enhance the ability of the town to attract and provide for tourists.

**NOTE:** With the exception of Hickory-Conover, Goldboro, and Hendersonville, the net proceeds of the tax are distributed to the appropriate body. "Net proceeds" is defined as the cost of administering and collecting the tax as determined by the finance officer. In some instances, a limit is placed on this costs. The usual limit is 3% to 5%. In Rutherford County, the limit is 10%. Hickory-Conover, Goldsboro, and Hendersonville define "net proceeds" as "gross proceeds".

The General Assembly authorized Wake County to impose a 6% occupancy tax in 1991 (S.L. 91-594). The enactment of the tax under this authority repeals the authority of the county or a unit of local government in Wake County to enact an occupancy tax under any other local act. Wake County has enacted this tax. Therefore, the authority for the county to enact a 3% occupancy tax under S.L. 85-850 and the authority of any units of local government in Wake County have been repealed.

The House Finance Committee appointed a subcommittee on occupancy taxes. That subcommittee adopted a proposed committee substitute for HB 800, H800-PCS-LJ(V4), that establishes uniform provisions that apply to all local room occupancy taxes. Although the full Committee did not act upon the PCS during the 1993-94 Session, it did apply those provisions to all the local occupancy tax bills that passed through the Committee. The standards established under the PCS are as follows:

**Rate** - The county tax rate cannot exceed 6% and the city tax rate, when combined with the county rate, cannot exceed 6%.

**Use** - If the tax rate does not exceed 3%, then 2/3 of the proceeds must be used to promote travel and tourism and the remainder for tourism-related expenditures. If the tax rate exceeds 3%, then the equivalent of a 3% tax must be used as stated above and the remainder must be used only to construct, maintain, operate, or market a convention or meeting facility.

**Definitions** - Defines "convention or meeting facility", "promote travel and tourism", and "tourism-related expenditures".

**Administration** - If the county tax exceeds \$200,000 annually, or the city tax exceeds \$100,000 annually, the net proceeds must be remitted to a local tourism promotion agency that meets the following requirements:

- a. Has the authority to determine how the tax proceeds will be used.
- b. Is created by a local ordinance.
- c. At least ½ of its board members have expertise in the travel and tourism industry.

**Merchant's Discount** - The discount allowed a merchant for collecting a room occupancy tax must be the same as the discount the State allows the merchant for collecting State sales and use tax.

**Cost of Collecting** - A county or city may retain from the proceeds its costs of collecting the tax, not to exceed 7% of the amount collected.

**Reports** - City or County must report annually to the Local Government Commission, and send a copy of its report to the Division of Travel and Tourism of the Department of Commerce. The Division must compile the reports and send the compilation to the Legislative Administrative Officer to be distributed to the legislators.

**Application** - The act would supersede the provisions of a local act that conflict with it to the extent of the conflict.